

**MINUTES
of the
SECOND MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**July 17-18, 2014
Pueblo of Taos Community Center
220 Rotten Tree Road
Taos**

The second meeting of the 2014 interim of the Legislative Health and Human Services Committee (LHHS) was called to order by Representative James Roger Madalena, chair, on July 17, 2014 at 9:40 a.m. in the Pueblo of Taos Community Center.

Present

Rep. James Roger Madalena, Chair
Sen. Gerald Ortiz y Pino, Vice Chair
Rep. Doreen Y. Gallegos
Sen. Gay G. Kernan
Sen. Benny Shendo, Jr. (7/17)

Absent

Rep. Nora Espinoza
Rep. Terry H. McMillan
Sen. Mark Moores

Advisory Members

Rep. Nathan "Nate" Cote
Rep. Sandra D. Jeff (7/17)
Rep. Linda M. Lopez (7/18)
Sen. Cisco McSorley (7/17)
Sen. Bill B. O'Neill
Rep. Vickie Perea
Sen. Nancy Rodriguez
Sen. Sander Rue (7/17)
Rep. Edward C. Sandoval

Rep. Phillip M. Archuleta
Sen. Sue Wilson Beffort
Sen. Craig W. Brandt
Sen. Jacob R. Candelaria
Rep. Miguel P. Garcia
Sen. Daniel A. Ivey-Soto
Rep. Paul A. Pacheco
Sen. Mary Kay Papen
Sen. William P. Soules
Rep. Elizabeth "Liz" Thomson

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Michael Hely, Staff Attorney, Legislative Council Service (LCS)
Shawn Mathis, Staff Attorney, LCS
Rebecca L. Griego, Records Officer, LCS
Nancy Ellis, LCS
Carolyn Peck, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file, including those from the public comment portion of the meeting.

Thursday, July 17

Welcome and Introductions

The chair called the meeting to order at 9:40 a.m., welcoming guests and asking members and staff to introduce themselves. He then introduced Pueblo of Taos Governor Clyde M. Romero, Sr., who welcomed the assembly to the Pueblo of Taos and apologized that he had to leave shortly due to the unexpected death of a tribal member. He offered a prayer for the success of the important work of the committee. Representative Madalena commented on unfortunate recent flooding at the pueblo, and he reminded Governor Romero that help is available through the state.

The chair then introduced Ezra Bayles, director of health and community services at the Pueblo of Taos, who gave a brief outline of the Pueblo of Taos' journey to self-governance in health issues and recognition as a "638", or a tribe that administers its own health program pursuant to a provision of the federal Indian Self-Determination Act. Whereas in the past, a bureaucratic patchwork in Albuquerque hampered coordination of care for most treatment, the Pueblo of Taos now controls nearly all of its own health programs, Mr. Bayles said, including behavioral and community health. The availability of transportation and home visiting is integral to success. This year, the Pueblo of Taos received a prestigious Robert Wood Johnson Foundation Culture of Health Prize for \$25,000 for its efforts in building a community where getting and staying healthy has become a fundamental social value. Several committee members asked Mr. Bayles about the success of Medicaid expansion at the pueblo, and he responded that reimbursement from the state's four managed care organizations (MCOs) has been a challenge at times, especially for home health care. Asked about behavioral health services, Mr. Bayles said that these services are available through the tribe. Future health goals for the pueblo include the addition of programs in schools that focus on education and prevention of drug abuse and chronic diseases, additional programs to meet needs for veterans and more tribal input on all health issues, Mr. Bayles said.

Review of Legislation for the First Regular Session of the Fifty-Second Legislature

Mr. Hely provided members with a binder containing copies of proposed legislation for committee endorsement (see List A). Members discussed the following legislation.

#1 (197308.3) is a house bill that enacts a new section of the Public School Code to prohibit school personnel from compelling students to use psychotropic medications, and it amends a section of the Children's Code to provide that the refusal to consent to administration of psychotropic medications to a child is not per se grounds for protective custody. Tina Olson,

director of the Citizens Commission on Human Rights of New Mexico, urged endorsement of this bill, saying the issue is one of parents' rights. Some committee members expressed concerns about the bill, especially Section 2 of the bill, which would amend a provision of the Children's Code. The committee voted to table the bill, thus refusing to endorse the bill in its present form.

#2 (197321.1) and #3 (197322.1) are house and senate versions of the same bill seeking to enact a new section of the Public Assistance Act to require an amendment to the Medicaid state plan to provide home visiting services for infants born to Medicaid recipients and for the infants' families. The committee endorsed both bills.

#4 (197379.1) is a senate bill that would require the Human Services Department (HSD) and the Department of Health (DOH) to create a five-year plan for increasing allocations to the developmental disabilities (DD) Medicaid waiver program supports and services, providing for annual reporting to the legislature and making a \$25 million appropriation. Members discussed whether \$25 million would be sufficient to meet the goals of the legislation. Other members expressed the need to grow infrastructure to accommodate increased numbers of clients. Several members expressed great concern over the current low wages of professional service providers. One member stated an intention to again address this crisis in separate legislation. Jim Jackson, executive director of Disability Rights New Mexico, urged support for this bill, believing that if funding is made available to the DOH, capacity can be grown. The committee endorsed the bill.

#5 (197397.3) is a senate bill amending and enacting sections of the Dental Health Care Act to provide for licensure and a scope of practice for dental therapists. Pamela K. Blackwell, J.D., project director of Oral Health Access, Health Action New Mexico, said that this legislation has new supporters and the only remaining opposition is from the New Mexico Dental Association (see handouts). New data from the dental therapy program in Minnesota show increased access to dental care and reduced wait times, she said, and Minnesota is looking to expand its program. Maine has now become the third state to approve dental therapists, Ms. Blackwell said. This legislation has strong bipartisan sponsorship and is a comprehensive effort to create a New Mexico solution to the dental care crisis. All 33 New Mexico counties are now federally designated as "underserved", and the shortage of dentists is estimated to be between 300 and 400, she said. The committee endorsed the bill.

#6 (197425.1) is a senate bill seeking to assign monitoring and oversight duties and to provide year-round staff to the LHHS, to require compliance with requests for information from the committee and its subcommittees and to confer the power to administer oaths and issue subpoenas. The bill includes an appropriation of \$200,000 for fiscal year 2016 to fund staffing and activities. This legislation is an attempt to make the committee more effective, a member stated, and if agencies can be compelled to cooperate, the work of the committee will be much easier. The issues addressed by the LHHS and its subcommittees make up 60 percent to 70 percent of the state budget and are extremely complicated, the member added. The committee's workload is heavy and usually requires multiple extra meetings each interim. The committee endorsed the bill.

#7 (197483.1) is a senate bill making an appropriation to the Board of Regents of the University of New Mexico (UNM) to support the Pain Management Clinic at UNM. A member pointed out that the committee does not yet know what the funding priorities are for UNM, and it might be best to postpone this. Members voted to table consideration of this bill until more information is available.

#8 (197492.1) is a senate bill making an appropriation of \$400,000 to the Higher Education Department to increase the number of dental students who participate in the Western Interstate Commission for Higher Education. The committee endorsed the bill.

#9 (197496.1) is a senate bill appropriating \$250,000 to the Board of Regents of UNM to fund oculopharyngeal muscular dystrophy research at the UNM Health Sciences Center. The committee endorsed the bill.

#10 (197499.2) is a senate bill making an appropriation of \$500,000 to the Crime Victims Reparation Commission for support, advocacy and services for victims of human trafficking. The committee endorsed the bill.

#11 (197500.2) is a house bill making an appropriation of \$900,000 to the Children, Youth and Families Department to fund a supportive housing project to provide permanent housing and supportive services for at-risk families and children. The committee endorsed the bill.

#12 is a letter of support from the committee to the Task Force on Work-Life Balance for its Family-Friendly Business Award program, which is helping to promote businesses and institutions with family-centered policies. The committee endorsed the letter.

Public Comment

Joseph A. Martinez, consumer outreach coordinator of Health Action New Mexico, urged support of the proposed dental therapy legislation, describing dental care as a very serious, but solvable, crisis for children, the elderly and working families in New Mexico. He urged committee members to work to pass the legislation.

Mr. Jackson told committee members that there is an urgent need for additional behavioral health services in the state and that more funding is needed for mental health services, housing, outreach and case management for those who are not Medicaid recipients.

Duane Kimble, a New Mexico veteran, spoke of the importance of medical cannabis in the treatment of many disorders, and he described his own rare neurological disease and the efficacy of medical cannabis in controlling his symptoms. Mr. Kimble urged members to consider that most cannabis patients cannot afford the increased costs of the new regulations being proposed by the DOH.

Jennifer Furlow told the committee that she has been disabled since 2010, and she described her seven-year search for relief from pain and the difficulty of finding a physician willing to undergo scrutiny for prescribing cannabis. She urged members of the committee to consider broad legalization of cannabis in the state, such as has recently been accomplished in Colorado.

Wendy Robbins also urged committee members to consider legislation to legalize cannabis in New Mexico. Citing more than \$20 million in reported tax revenue from cannabis sales in Colorado, with no credible reports of a single death caused by smoking it, Ms. Robbins said cannabis should be legalized in New Mexico for economic reasons because the state is among the poorest in the nation.

DOH: Proposed Changes to Medical Cannabis Rules (see handout)

Brad McGrath, chief deputy secretary of the DOH, told committee members that the department is very committed to the success of the rules for New Mexico's medical cannabis program (MCP). He asserted that public input on the department's proposed rule changes to the program has been significant, with more than 500 persons attending the June 16 hearing in Santa Fe and approximately 900 written comments received within the period of public comment, extended by the department from June 20 to July 1, 2014. The DOH is open to listening to people's concerns, Mr. McGrath said.

The proposed rule changes will triple the supply of medical cannabis available to patients, Mr. McGrath said, adding up to 12 producers to the 23 currently licensed in the state and allowing all licensed nonprofit producers to as much as triple their current output. The DOH is proposing a \$50.00 patient registry fee and a staggered fee structure for producers, with funds generated earmarked for additional DOH staff to help operate the program. The proposed rule changes will expand criminal background checks in order to assure integrity, he said, and will decrease the plant count for personal production licenses. The MCP has approximately 11,300 patients currently registered, Mr. McGrath said, with nearly 8,000 of those diagnosed with posttraumatic stress disorder. The DOH is prepared to make additional changes to the proposed regulations based on public input, he said, and will probably finalize the new rules by September 2014.

Concerns About the DOH Proposed Medical Cannabis Rules

Joel White, vice president of the New Mexico Medical Cannabis Patients' Alliance, told committee members that he was diagnosed with multiple sclerosis 25 years ago but is vastly improved today, with cannabis as his only medication. Mr. White described his initial reluctance even to try cannabis and his later difficulty in finding a physician to prescribe it. He believes that most physicians remain unaware of the benefits of medical cannabis. Mr. White criticized what he called "punative" rule changes being proposed to the MCP by the DOH. Cannabis is a safe and effective medicine as opposed to the many prescription pain drugs now causing deaths from overdoses, he said. Patients were not involved in discussions with the DOH before these rules came out, Mr. White asserted, and they knew nothing of the rules until they were published. He asked how the new fee structure will help patients, who likely will be driven outside the program

to the black market. Mr. White urged committee members to protect the MCP from being destroyed by politics.

Emily Kaltenbach, state director of the Drug Policy Alliance, told committee members that the DOH's proposed rule changes were crafted by the department "in isolation", with stakeholders, patients and producers not consulted, and that these changes will undermine the purpose and the intent of the state's Lynn and Erin Compassionate Use Act (see handout). New Mexico has had a model program since its inception, Ms. Kaltenbach said, but these proposed regulations will put it 10 years behind other states. Her organization has concerns about the proposed rules limiting a caregiver's right to grow cannabis, about the fact that any medical provider could now veto a patient's use of cannabis, about the lack of input from the MCP's medical advisory board, about increasing fees and about the elimination of the DOH's annual assessment of the MCP.

Steven Jenison, M.D., a former DOH medical director and past member of the MCP medical advisory board, told the committee he was "very surprised" by the proposed new rules. The frequently asked questions published by the DOH state that "the information was obtained from the medical advisory board", but members of that board told him that no information was provided by the board to the DOH and no consultation was solicited by the DOH from the board. In response to this point, Mr. McGrath told committee members that the medical advisory board will hold a hearing in late August to review the proposed rule changes.

Len Goodman, chairman and executive director of NewMexiCann Natural Medicine, Inc., told committee members that there is not a functioning market for medical cannabis in New Mexico because of a chronic shortage in supply (see handout). The DOH conducted a survey in 2013 that clearly identified this shortage, he said, and now that the industry is about to expand, producers need to work together as partners to help bring down costs for their patients. Mr. Goodman was critical of what he sees as a lack of effort by the state to educate medical practitioners and the public about the safety of cannabis as an alternative to dangerous opiates, and he asserted that there were many more New Mexicans who could benefit from the program. The DOH's proposed rules will increase costs significantly for cannabis testing and production, Mr. Goodman said, and they will require financial statements from producers that are beyond the DOH's authority. He touted the combined expertise of New Mexico producers, who were ignored by the DOH, he said, as well as the MCP board of advisors.

Questions/Concerns

During a discussion following the presentations, several committee members stated they had never received so many constituent concerns on any issue as they have received on these proposed changes to the MCP, and it was clear that most constituents felt they would be negatively affected. Asked what the purpose is of these changes, Mr. McGrath responded that the new regulations are intended to address the supply issue. Another member asked if the DOH intends to request legislation to codify these changes to the MCP. Mr. McGrath responded that the DOH does not. One committee member, critical of the apparent lack of public input in the DOH formulation of proposed changes, cautioned Mr. McGrath against raising prices for

patients, many of whom are veterans on limited incomes. A typical retail price for an ounce of medical cannabis at present is \$325 plus tax, producers who were present agreed, and it is not covered by insurance. Medical cannabis is subject to gross receipts tax, Mr. McGrath said, with projected sales of up to \$18 million this year; the tax receipts go into the general fund. He maintained that the MCP is essentially an unfunded mandate for the DOH, and the increased fees are needed to add employees, increase education statewide and purchase special software to track the program. This past year, a \$150,000 surplus from the MCP was returned by the DOH to the general fund.

Other committee members expressed concern to Mr. McGrath about a proposed change in the standard definition for participation in the program, additional background checks for consumers, increased requirements for financial audits that may be burdensome, if not impossible, for smaller producers and an increase in pricing that discriminates against the sickest patients. Members strongly urged the DOH to conduct a second public hearing, listen to advice from the MCP medical advisory board, be willing to make changes to its proposed rules and consider possible statutory changes. The MCP program should be all about the patients, a member concluded, not about politics.

Recess

The committee recessed at 4:45 p.m.

Friday, July 18

Welcome and Introductions

Representative Madalena reconvened the meeting at 9:20 a.m., welcomed those assembled and asked members and staff to introduce themselves.

Advocates on the HSD's Income Support Division (ISD) and Public Benefits Case Management

Gail Evans, Esq., legal director of the New Mexico Center on Law and Poverty (NMCLP), told members of the committee that the HSD continues to experience severe difficulties and dramatic delays processing New Mexicans' applications for benefits, and she offered three real-life stories of applicants who fell into the backlog at the HSD. There are long lines outside ISD offices that form as early as 6:00 a.m., Ms. Evans said, and despite the law requiring the ability to apply the same day, by 10:30 a.m., people are being told to come back another day. New Mexico is ranked at the bottom of states having the hungriest adults and children, she said, and the best way to combat hunger is with general assistance (GA) and the Supplemental Nutrition Assistance Program (SNAP).

Ms. Evans described what she called an alarming decrease in the processing rate for these benefits, citing a drop of 30,000 SNAP beneficiaries between August 2013 and March 2014, according to the HSD's numbers. There were 3,500 people on GA, now that number is down to 2,900 people during that same time period, and Temporary Assistance for Needy Families (TANF) beneficiaries also declined, from 15,000 to 13,000. The department's application

processing rate is down by as much as half, she said. In 2011, the department's negative error rate (incorrect denial of benefits) was 3.9 percent; in 2013, that rate was 43 percent.

Ms. Evans said that the HSD is still "auto-suspending" food benefits for those whose renewals have not been processed.

Ms. Evans said that the NMCLP represents plaintiffs who filed a motion in U.S. district court to enforce compliance with a federal court decree from two decades earlier demanding that the HSD remove "systemic or programmatic barriers" from the food stamps and Medicaid programs (see handout). In May of this year, the judge granted the plaintiffs' motion to enforce compliance and ordered the HSD to immediately create a mechanism to prioritize expedited SNAP applications, suspend the auto-denial and auto-closure functions in its computer system and cease other procedural denials and required that SNAP applications be processed by the HSD within 30 days and Medicaid applications within 45 days. The judge also ordered monthly reports from the HSD and meetings to be held between the department and plaintiffs to discuss how terms of the decree are being affected. Ms. Evans reported that the HSD automatic denials are still being reported for food benefits six weeks after the judge's order, and plaintiffs will be going back to the judge on Monday.

Public Benefits Case Management Through the ISD

Brent Earnest, deputy secretary, HSD, told the committee that the HSD is concerned about reported problems and the backlog, and he said that 40 field offices and his staff are working overtime with individuals and the system to improve service. He provided an overview of how the ISD determines eligibility for the various benefit programs (see handout). The department's 25-year-old software system was replaced by a new program, ASPEN, which was rolled out successfully in waves starting in July 2013, Mr. Earnest said, with the last wave in January 2014. New Medicaid and federal Patient Protection and Affordable Care Act of 2010 (ACA) requirements have been integrated into the ASPEN system and into the single, streamlined application. A web-based self-service portal — YES-New Mexico (www.yes.state.nm.us) — is available to all New Mexicans online, and there are self-service kiosks in the lobbies of county ISD offices, and a 24/7 customer service information phone line is also available.

Mr. Earnest described the department's successes: transitioning 65,000 applications for Medicaid from other programs; moving 80,000 applicants to the federal health insurance exchange; hiring 75 new employees to help process applications; extensive training of more than 1,000 employees; and requiring mandatory overtime for staff of five hours a week since February. The HSD has double-filled positions, he said, and has created a team of top producers. The department's goal is to get to a two-week application processing time. Mr. Earnest commended staff members for their commitment and for working under pressure from many new and sometimes conflicting federal and state requirements.

Many challenges remain, Mr. Earnest admitted, especially with confusing notices being issued. Federal requirements and the consent decree requirements have made these notices cumbersome and confusing for applicants and recipients. A triage system has been implemented to

address the long lines in ISD office lobbies, he said, and the department has nearly eliminated the backlog of overdue applications. Customer support center services are being enhanced, as is the YES-New Mexico web site, and preparations are under way for the next open-enrollment period on the New Mexico Health Insurance Exchange (NMHIX).

Questions/Concerns

Members of the committee had numerous questions for the presenters, generally categorized as follows.

Lack of current data, i.e., less transparency than in the past. Several members asked Mr. Earnest if data were available by county. He responded that the HSD has not been able to produce the data because the HSD was operating two different systems and there have been problems with Medicaid reporting. Additionally, a software glitch resulted in children not being "broken out" in the numbers, and thus it appears that some were dropped. In January, the HSD put out a report that summarized the past six months, but it did not include the breakout of information the HSD used to get, Mr. Earnest said. The HSD is working on a new Medicaid report format, which will be presented to the Medicaid advisory committee. The department would like to move toward more real-time enrollment data on a monthly basis, he said — hopefully by August. A member asked whether the new report would break out the SNAP numbers by county for Native Americans, and Mr. Earnest said this would be possible because the Medicaid program reports specifically for Native Americans.

Continuing problems with auto-termination. A member stated that it appears that auto-termination is still a big problem, and if applicants are dropped from one service, it appears they also are dropped from others. Mr. Earnest assured members that auto-denials have been shut off, but some benefits have been suspended because of federal requirements not to pay those who are not eligible. Ms. Evans responded that as of this week, the department is still auto-suspending SNAP benefits for those whose renewals have not been processed. The department is out of compliance with federal law, Ms. Evans continued, because if an applicant applies for renewal and that renewal has not been processed, the applicant must receive notice about whose fault the denial is. This has not been happening, she said.

The HSD's increase in a negative error rate (frequency of incorrect denial or terms of benefits). The federal government changed how it looks at this, Mr. Earnest said, and there has been difficulty with the new system. Prior years' calculations did not include notices, he said, and poor notices are driving the HSD's error rate higher. Other states are experiencing much higher rates as well, he said. Ms. Evans agreed that poor notices are part, but not all, of the problem. New Mexico's error rate is the third worst in the country, she said. Department delay notices that were supposed to be ready by June have been delayed until September, Ms. Evans said.

Staffing issues at the HSD. A member asked if the HSD had properly anticipated the numbers of newly eligible applicants. What the HSD did not anticipate, Mr. Earnest responded, were problems with the federal exchange and the way the data eventually came into the department. The ISD has 110 authorized positions, and 130 positions are currently filled, but there

is high turnover, he said, due primarily to low pay. Recruitment is ongoing and continuous. These are very demanding jobs, and hourly rates now have been raised from \$13.00 per hour to \$15.30. A member asked why the Secretary of Human Services Sidonie Squier did not attend this meeting. Mr. Earnest replied that she was attending a tribal summit.

Minutes Approved

A motion was made and seconded, and the minutes from the first LHHS meeting on May 23, 2014 were approved.

Public Comment

Santanita Grogg is a caregiver for a Mi Via client who frequently gets closed out by the system. Then, as the caregiver, she cannot get paid and must requalify with Mi Via all over again, which takes four to six weeks. Her client, who is attending college, is completely stressed out. The client's budget finally passed. She used to work for him 10 hours per week for \$20.00 an hour, but Mi Via has cut her time with him to six hours and cut her pay to \$14.00. Ms. Grogg asserted that the whole system is "screwed up".

Althea McLuckie spoke of systemic problems in Mi Via with the transition to Centennial Care (CC). Her daughter has been in Mi Via since the program's inception, but now there are chronic denials of typically approved services, forcing her to go to hearings, which rule in her favor but are costly in time and money. The MCOs under CC are required to establish advisory boards, but she has contacted all four MCOs and was told that the annual public forum in Albuquerque satisfies that requirement. This is certainly no help for those who live in rural areas, Ms. McLuckie said. Under CC, access to long-term care services has been delayed; she finally got an assessment in January and submitted all paperwork by March 1, 2014. She reported that after 17 phone calls, including one to Secretary Squier, HSD personnel told her that the HSD had no influence over the MCOs and that she should contact the superintendent of insurance. Finally, two weeks ago, Ms. McLuckie said she finally received a determination. She expressed shock that the state does not have any influence to enforce MCO contracts.

Stevie Bass has a daughter who has been in Mi Via for long-term care services, and the program has served her well. On December 13, 2013, her daughter received the following notice of case action from the ISD office in Taos saying that her services would be closed as of January 31, 2014: "Your DD waiver is pending closure. In order to continue benefits, you need to reapply. Please complete the attached application.". There was no application attached, Ms. Bass said, asking why clients are approached this way. This letter is so cruel, she asserted. Why not say simply, "You need to reapply"?

Dereck Scott, who appeared with his wife, Melody, said he is very ill, is in a wheelchair with acute pancreatic disease and now has to go to Arizona for treatment (see handout). Mr. Scott related a long litany of difficulties, including being accepted on Coordination of Long-Term Services, Medicaid and Medicare, and then being inexplicably dropped from Medicaid with no warning. After many phone calls, the Scotts were told that the computer had dropped him for no reason, and now he is on a work program for which he did not apply. He must reapply for

Medicaid, for which he says he always qualifies, but this time there will be a 20 percent copay — more than they can afford. Mrs. Scott asked committee members why Medicaid is paying for people to be on WeightWatchers when there are folks out there who need medicine and regular medical care.

Candyce S. O'Donnell, District 5 candidate for the Taos County Board of Commissioners, spoke of the need for transportation for the elderly in rural areas of northern New Mexico and asked that the HSD consider sending staffers to remote areas periodically to assist the elderly and those who do not have the means to get into Taos to apply for income support and assistance with utilities.

Concerns About Benefit Cuts, Enrollment and Work Force Education and Training Components of the TANF Program

Ruth Hoffman, director of Lutheran Advocacy Ministry-New Mexico, presented committee members with a brief background of the TANF program, enacted at the federal level in 1996 and governed at the state level by the New Mexico Works Act in 1998. The 2005 reauthorization of TANF included new work program requirements. States are allocated an annual TANF block grant (\$110.5 million this year in New Mexico), and participants are held to a lifetime limit of 60 months of cash assistance. States are required to have 50 percent of their caseload in federally countable work activities each year, and all benefit groups must include a dependent child. In early 2011, a "transition bonus" to help working families transition off public assistance into family-sustaining employment was suspended by the state, along with two annual school clothing allowances, and the cash assistance was cut by 15 percent. Ms. Hoffman urged legislators to restore these bonuses and to increase the amount of cash assistance (now at \$380 for a family of three) to its former level. She also urged close examination of limited work participation activities and requirements, and asked legislators to require the HSD to provide detailed reports. The overall poverty rate in New Mexico remains very high, at nearly 21 percent, and TANF is a crucial part of the safety net, Ms. Hoffman concluded.

Susan Thom Loubet, executive director of New Mexico Women's Agenda, also urged legislators to demand more detailed reporting about support services for TANF clients (see handouts), as well as long-time job placements, salaries and prospects. Ms. Loubet stated that more data are needed from SL Start, the company holding the state contract to provide services under the New Mexico Works Act, in order to judge whether the program is succeeding.

Sovereign Hager, a staff attorney with the NMCLP, said that TANF participation continues to decline despite extreme poverty in New Mexico (see handout). Twenty-nine percent of children in New Mexico live in poverty, she said, and the state has the highest rate of child food insecurity in the country. Ms. Hager maintains that benefit processing has fallen dramatically since the implementation of the HSD's new ASPEN computer system. A table of information provided by the HSD shows that processing has fallen by 60 percent and SNAP application processing has fallen by 37 percent since July 2013, she said. Enrollment in both programs has fallen in the past six months due to processing delays and automatic closure of unprocessed renewals.

Ms. Hager said she is concerned about 2012 changes to the New Mexico Works Act requiring TANF participants to engage in certain activities or be subject to sanctions. People are having difficulty accessing alternative work participation arrangements, and it is difficult to document compliance. The state is not providing any follow-up information on those who have been sanctioned at an alarmingly high rate of more than 47 percent, she said. Ms. Hager pointed out that New Mexico is no longer facing budgetary restraints, yet SNAP benefits also have been cut, making New Mexico one of only six states to reduce benefits since 2010. She urged legislators to require the HSD to report on activities of SL Start in administering work supports and to restore earlier TANF and SNAP benefits amounts.

Update on TANF Eligibility, Enrollment and Work Force Education and Training; Update on Transition to CC Medicaid Waiver Program

Mr. Earnest provided committee members with a description of the TANF program, including charts and graphs (see handouts) of caseloads, expenditures and the projected expenses of the 2015 TANF appropriation of \$120.8 million. He was accompanied at the presentation table by Lisa Roberts, vice president of operations for SL Start, who gave members copies of her presentation (see handout) on the New Mexico Works Program. SL Start is a for-profit company founded in 1979 that has held a contract with the HSD for the past four years to manage the TANF program. SL Start is charged with engaging participants to achieve higher self-sufficiency outcomes by improving families' financial situations, Ms. Roberts said. Her presentation described program objectives, processes and results of SL Start activities, including assessments, work participation, field screening for substance abuse and noncompliance issues.

Questions/Concerns

Mr. Earnest admitted that problems with reporting data have affected TANF, as well those programs previously discussed. Several committee members urged Mr. Earnest to restore the transition bonus and clothing allowances, as well as cash benefits to previous levels. A member noted that benefits have not been adjusted for inflation. Another member asked Mr. Earnest to provide numbers of TANF participants who have hit the five-year cap.

Ms. Roberts was asked for further information about SL Start. The company is based in Spokane, she said. SL Start has contracts in Washington, Idaho, Nevada and California, as well as in New Mexico. This contract was awarded through a competitive bid in August 2011, Ms. Roberts said, and was recently renewed for up to four years. SL Start also has a contract for management of SNAP.

Update on the NMHIX

Jason Sandel, member of the NMHIX board of directors, said this is his fourth presentation (see handouts) in two weeks in a quarterly reporting to the community on the first open-enrollment period. The NMHIX is vital in putting New Mexicans in the "driver's seat" on the ACA, Mr. Sandel said. A review of accomplishments include setup of the small business portal (the "SHOP") in October, and significant outreach efforts in the Native American community, including assisting with education and enrollment of nearly 4,000 individuals. The NMHIX's 13-member board of directors is completely committed to the organization's mission to operate a transparent

and user-friendly exchange, Mr. Sandel said, and to monitor and continuously improve the NMHIX to ensure a financially viable and sustainable exchange.

For every person enrolled through the exchange, approximately eight to 10 persons were guided to Medicaid, which had more than 130,000 new enrollees, Mr. Sandel reported. The NMHIX did not get nearly as many people enrolled as anticipated (34,000); the goal is 82,500, Mr. Sandel said. The board will be conducting research to find out why people did not enroll. It will use interest group feedback sessions across the state to identify opportunities for improvement. It will also be reevaluating the existing media plan and vendor relationships; it is important to make this happen sooner rather than later, he said. An immediate and critical challenge is whether the individual enrollment platform will be ready for the next open-enrollment period, beginning November 15. Mr. Sandel said that, currently, the federal government is requiring all existing federal enrollees to disenroll and then re-enroll in the NMHIX. The board will discuss whether to move forward with implementation of the individual platform at its next meeting on July 25. Financial sustainability of the NMHIX is a constant concern, Mr. Sandel admitted, but the board is very focused, and all members share the same goals.

Questions/Concerns

A member asked if enrollment figures had been released; Mr. Sandel responded affirmatively, saying that the superintendent of insurance has announced enrollment by carrier. Another member asked about applicants who are making too much income to qualify for Medicaid but not enough to buy insurance on the exchange. Mr. Sandel agreed that this is a problem, but he said it is not under the control of the exchange; it is up to the superintendent of insurance to look more deeply into these issues, he said. Asked by the chair if the NMHIX has thought about asking the HSD for funding, Mr. Sandel said no, but he promised to put that question on the agenda for the next board meeting.

Mr. Hely informed the committee that he has asked the federal Center for Consumer Information and Insurance Oversight (CCIIO) whether funding is available to pay the exchange for Medicaid enrollments, but he has not yet received an answer. Mr. Sandel said he requested that CCIIO representatives attend the next NMHIX board meeting via teleconference.

Adjournment

There being no further business, the second meeting of the LHHS for the 2014 interim adjourned at 3:45 p.m.